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SUBJECT: U.S. BROKERS IRENA HEADQUARTERS AGREEMENT

REF: A. STATE 059969
[1](#)B. STATE 061286

[1](#)1. (SBU) KEY POINTS

--The United States signed the Statute of the International Renewable Energy Agency (IRENA) during a ceremony at the second Preparatory Commission in Sharm El Sheikh, Egypt, on Monday, June 29. By the end of the conference, 136 States had joined the Preparatory Commission of IRENA.

--The United States brokered a deal by which Germany and Austria withdrew their candidacies to host the IRENA headquarters. In return, the parties agreed that an innovation center would be established in Bonn, and a liaison office be established in Vienna. The UAE will be the site of the IRENA Secretariat Headquarters.

--Hlne Pelosse, the French Deputy Head of Staff in Charge of International Affairs in the Private Office of the Minister of State, was elected as Interim Director General of IRENA.

BACKGROUND

[1](#)2. (U) The Second Session of the Preparatory Commission for the International Renewable Energy Agency (IRENA) was held June 29-30, 2009, in Sharm El Sheikh, Egypt. The U.S. delegation was led by OES Acting A/S Reno Harnish and included EEB DAS Douglas Hengel and OES/EGC Griff Thompson. The purpose of the conference was to elect an Interim Director General (DG), designate an interim seat for the Secretariat Headquarters (HQ), determine IRENA's interim work program, and decide on IRENA's interim financial and staff regulations. Abu Dhabi, Bonn, and Vienna offered their candidacies to host the IRENA Secretariat. France, Spain, Greece, and Denmark nominated candidates for the Interim DG position. Egypt's Minister of Electricity and Energy, Dr. Hassan Younes, chaired the conference.

[1](#)3. (SBU) COMMENT: The DG, secretariat location, work program, and financial and staff regulations will remain "interim" until formally adopted by the first session of the IRENA Assembly after the IRENA Statute comes into force once ratified by 25 countries. END COMMENT.

ADMINISTRATIVE COMMITTEE DISCUSSES WORK PLAN

¶4. (U) Prior to the opening of the session, the Administration Committee, chaired by Germany, held a closed meeting to discuss general administrative issues. Ambassador Harnish said IRENA should be a financially lean and efficient organization that focuses on capacity building and training for developing countries, and avoids programs that overlap with existing international organizations. Japan and France also raised concerns about IRENA's funding and echoed the USG preference for a lean budget. IRENA's funding will be modeled on the UN scale of assessment, meaning the USG will fund 22% of the organization's budget.

UNITED STATES SIGNS IRENA STATUTE

¶5. (U) Ambassador Harnish signed the IRENA statute during a signing ceremony on the opening day of the Preparatory Commission. Twenty-two states signed the Statute over the course of the conference, bringing the total number of signatories to 136.

U.S. DELEGATION BROKERS DEAL TO AVOID DIVISIVE VOTE

¶6. (SBU) Abu Dhabi, Germany, and Austria had all entered the conference seeking selection as host for the IRENA Secretariat. In a compromise brokered by the U.S. delegation, Germany and Austria agreed to withdraw their candidacies and support Abu Dhabi for the headquarters in exchange for UAE support for establishment of a technology innovation center in Bonn and an office to liaise with international organizations in Vienna.

¶7. (SBU) Germany offered to contribute up to four million Euros for the establishment of the innovation center, which would promote innovation and facilitate renewable energy technology transfer to developing nations, and 2-3 million Euros annually for its operations. The Government of Austria will fund the IRENA liaison office in Vienna. The UAE agreed, under the conditions that the two centers would be established under the framework of the IRENA Secretariat in Abu Dhabi (rather than national centers run by the German and Austrian governments) and that the funding for both the Bonn and Vienna offices would be in addition to the respective countries, assessed obligations for IRENA. The parties prepared a statement and presented it to the Chair to announce to all member states. Upon announcement of the agreement, Abu Dhabi was declared the location for the Interim Secretariat.

FRENCH CANDIDATE WINS DIRECTOR GENERAL POST

¶8. (SBU) The next major order of business was to elect an Interim DG for IRENA. The governments of France, Spain, Greece, and Denmark nominated candidates. Following several rounds of voting, France's Hlne Pelosse narrowly edged out Spain's Juan M. Ormazabal Jordana, the Director General of the Spanish National Center of Renewable Energy, to become IRENA's Interim DG. (COMMENT: The U.S. delegation supported the Greek candidate in the first round, and then voted for the Spanish candidate in subsequent voting rounds. END COMMENT.)

IRENA ADOPTS INTERIM WORK PROGRAM

¶9. (U) The second day of the Preparatory Commission consisted of determining the work program and financial and staff regulations. Work groups met to discuss Member States' proposals for amending the work program and financial and

staff regulations. The U.S. delegation presented a non-paper on U.S. views regarding IRENA's interim work program. The USG held the view that the strategic objective of IRENA should be to build capacity for developing country public policy makers to understand the policy, regulatory, and institutional requirements to facilitate growth in renewable energy adoption in their countries. The U.S. delegation was successful in narrowing the scope of IRENA's work plan as well as directing the DG to establish a series of performance metrics to be used to evaluate IRENA's performance both regarding internal operations and external projects. Japan led the charge on IRENA's fiscal discipline and emphasized the need for accountability and cost efficiency. Denmark and others provided more troubling input by focusing on the role of Bonn, which negatively brought back North-South tensions regarding the role of developed countries in promoting renewable energy in the developing world. In the end, the Preparatory Commission agreed on a set of amendments to the work program and financial and staff regulations.

NEXT STEPS

¶10. (U) The IRENA Secretariat HQ in the UAE will be housed in Masdar City (about 15 miles from Abu Dhabi), which upon completion in 2011 will be the world's first carbon-neutral, zero-waste city. The UAE will host the next session of IRENA's Preparatory Commission in January 2010. Ambassador Harnish invited the new DG Helne Pelosse to visit Washington in the near future to discuss IRENA's work.

¶11. OES Acting A/S Reno Harnish cleared this telegram.
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